

**THE WAIKOLOA BEACH VILLAS**  
(Registration No. 5521)

DISCLOSURE ABSTRACT  
(Effective Date October 8, 2009)

- (a) PROJECT: **THE WAIKOLOA BEACH VILLAS**  
Waikoloa Beach Drive  
Waikoloa Beach Drive, Waikoloa, Hawaii
- (b) DEVELOPER: SunStone Waikoloa LLC  
1003 Bishop Street, Suite 1240  
Honolulu, Hawaii 96813  
808-523-9881
- (c) MANAGING AGENT: Hawaiiana Management Company  
711 Kapiolani Blvd., 7<sup>th</sup> Floor  
Honolulu, Hawaii 96813  
808-593-9100

Developer has hired a new broker for the Project and has entered into a Project Brokerage Agreement, effective as of March 1, 2009, with All Islands, Inc., a Hawaii corporation (dba Century 21 All Islands).

- (d) REAL ESTATE BROKER: All Islands, Inc. (dba Century 21 All Islands).  
6700 Kalanianaʻole Highway, Suite 210  
Honolulu, Hawaii 96825  
808-394-0021

Developer has hired a new escrow company for the Project and has entered into a Condominium Escrow Agreement, effective as of October 19, 2009, with Title Guaranty Escrow Services, Inc., a Hawaii corporation.

- (e) ESCROW: Title Guaranty Escrow Services, Inc.  
235 Queen Street  
Honolulu, Hawaii 96813  
808-521-0211
- (f) MAINTENANCE FEES: Attached as Exhibit G to this Disclosure Abstract is a breakdown of the annual maintenance fees and the monthly estimated cost for each Apartment, certified to have been based on generally accepted accounting principles.
- (g) WARRANTIES: Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Apartments. Each apartment owner will be provided with a 10-year homebuilder's limited warranty program as part of the purchase price for the apartment. The 10-year warranty begins on the date title is transferred to an apartment owner and ends ten years thereafter. A copy of the warranty program is attached as Exhibit K to the First Supplementary

Condominium Public Report, which has a current effective date of December 16, 2008 and an expiration date of January 15, 2010 (the "Supplementary Public Report").

2. Common Elements. Common elements are covered under the 10-year home builder's limited warranty program. The 10-year warranty begins on the date that construction of the common element is substantially completed and ends ten years thereafter. A copy of the warranty program is attached as Exhibit K to the Supplementary Public Report.

3. Appliances. The Developer makes no warranties itself. However, the Developer will attempt to assign to each apartment owner the benefit of any manufacturer's or dealer's warranties covering the appliances in his or her apartment. Each apartment owner shall have the direct benefit of any such warranties that are assigned, if the Developer's attempted assignment is successful and binding. Such warranties, if available, will expire at different times, depending on the date of manufacture, sale, or installation of the appliances.

- (h) **RESIDENTIAL PROJECT:** The Project is a residential project and is not a mixed-use project.
- (i) **EXTENT OF COMMERCIAL OR  
OTHER NONRESIDENTIAL  
DEVELOPMENT:** There is no commercial or other nonresidential development in the Project.

Except as set forth above with respect to the change in the Project's real estate broker and the updated maintenance fees, no circumstance has occurred that would render the Supplementary Public Report misleading as to purchasers in any material respect.

SUNSTONE WAIKOLOA LLC

By 

Name: Curtis D. DeWeese

Title: Manager

**EXHIBIT G**  
**ESTIMATES OF MAINTENANCE FEES\***

The Waikoloa Beach Villas		
Apartment Type	Monthly Fee (per apt.)	Yearly Total (per apt.)
Plan 1	\$1,089.25	\$13,071.00
Plan 2	\$645.84	\$7,750.08
Plan 3	\$857.91	\$10,294.92
Plan 4	\$1,012.14	\$12,145.68
Plan 5**	\$713.32**	\$8,559.84**

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

\*Includes Waikoloa Beach Resort Master Association assessments.


\*\*The following second floor Plan 5 Apartment Types are also assessed \$90.97 per month (\$1,091.64 per year) for elevator maintenance and reserve assessments, meaning the total assessment for those units is \$804.29 per month (\$9,651.48 per year):

E22	E23	E32	E33	F22	F23	F32	F33	G22	G23	G32	G33
H22	H23	H32	H33	I22	I23	I32	I33	J22	J23	J32	J33
K22	K23	K32	K33	L22	L23	L32	L33	L22	L23	L32	L33
M22	M23	M32	M33	N22	N23	N32	N33	O22	O23	O32	O33

Developer's Explanation Regarding Replacement Reserve Figure

In arriving at the figure for "Reserves," as set forth in this Exhibit G to the Condominium Public Report, the developer did not conduct a reserve study in accordance with HRS § 514A-83.6 or HAR § 16-107-65. The figure is an estimate prepared by Hawaiiana Management Company, based on reasonable projections of reserve requirements.

SunStone Waikoloa LLC,  
a Hawaii limited liability company

By:   
Name: Curtis D. DeWeese  
Its: Manager  
Date: 4/7/09

WAIKOLOA BEACH VILLAS -- 120 UNITS

Estimate of Maintenance Fee Disbursements for Waikoloa Beach Villas

Utilities and Services:	<u>Monthly</u>	<u>Yearly</u>
Electricity (Common Elements Only)	\$ 13,812.00	\$ 165,744.00
Television:	148.00	1,776.00
Refuse Collection:	1,390.00	16,680.00
Telephone:	593.00	7,116.00
Water and Sewer:	21,179.00	254,148.00
Maintenance and Supplies:		
Building:	1812.00	21,744.00
Grounds:	15,021.00	180,252.00
Management:		
Management Fee:	2,428.00	29,136.00
Payroll and Taxes:	8,849.50	103,794.00
Office Expenses:	1256.00	15,072.00
Professional Services:	9,022.08	108,265.00
Insurance:	8,482.00	101,784.00
Reserves(*):	13,014.92	156,179.00
Taxes and Government Assessments	107.50	1,290.00
Audit Fee:	0.00	0.00
Other (contingency, pool, pest control):	816.00	9792.00
TOTAL:	\$97,731.00	\$1,172,772.00

I, Patty Dykstra, as agent for and employed by Hawaiiana Management Company, Ltd., the managing agent for the Waikoloa Beach Villas condominium project, hereby certify that the above estimates of maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Patty Dykstra  
Signature

April 6, 2009  
Date

(\*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-86-86.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.